

HORIZONS

Office of Cerro Grande Fire Claims



The Federal Emergency Management Agency

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1-888-748-1853

WEBSITES:

www.cerrogrande.losalamos.com
www.fema.gov/cerrogrande

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Located in Los Alamos in the Mari-Mac Plaza
Hours: 9 - 6 Monday - Friday

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THE DIRECTOR'S CORNER

As of Friday, August 16, we are twelve days away from the August 28, 2002 filing deadline. We are continuing to answer last minute questions about the recently completed study of the Los Alamos real estate market, assist those who still need to sign and submit a Proof of Loss by August 28, 2002, and receive any additional claims submitted on or before August 28.

As we reach the end of our tenure here, it is gratifying to see the signs of recovery: the multitude of homes being rebuilt and occupied, the benefits of Los Alamos County infrastructure projects designed to minimize future damage, and the many individuals that have completed the compensation process and are moving forward in their lives.

Although the community and many people still bear scars from the May 2000 disaster, surging home prices are another sign that Los Alamos is a thriving community, where people are still eager to live. After looking at the Los Alamos real estate market from a variety of perspectives, the independent study by AREA, the Chicago real estate analysis experts, found that home prices in Los Alamos have not only rebounded since the fire, but have surpassed pre-fire values and are continuing to spiral upward.

This is our last issue of Horizons - and on behalf of our staff, want to say thank you and to express our gratitude and satisfaction for having had the opportunity to work on such a

unique and challenging project, and to say goodbye. Although we will continue to have a presence in Los Alamos until the end of the year, our staff will be reduced, as will our workload by the end of September.

Study Concludes Los Alamos Real Estate Market Is Thriving

The report by Applied Real Estate Analysis (AREA) concludes that no community-wide diminution of real estate values exists. If individuals can prove proof that their property has been permanently diminished in value as a result of the Cerro Grande fire, they may file

or reopen a claim for compensation no later than August 28, 2002. Each claim will be evaluated on a case-by-case basis. The report is available at the Los Alamos Service Center or online at:
www.fema.gov/cerrogrande.

FAQ's on Unrealized Diminution of Property

Q: I believe I suffered permanent diminution of value to my home. Can I still file for compensation?

A: Yes. You have until August 28, 2002 to file or reopen a claim for unrealized diminution of property. To file, call our toll-free Help Line at 1-888-748-1853. To reopen a claim, call our Help Line or stop by our Los Alamos Service Center today.

Q: Your policy says you will compensate unrealized diminution if the claim would be compensated under New Mexico law. How do I know whether my claim would be recognized under New Mexico law?

A: New Mexico law recognizes compensation for diminution in value of real property where the property has been physically damaged by the negligent act of another party. If your property was not physically damaged, you should not expect to receive compensation under this part of the policy.

Q: How will you evaluate whether my property has suffered permanent diminution if I suffered no physical damage?

A: A Claimant always has the burden of proving losses and damages. Claimants whose property suffered no physical damage should not expect compensation under this policy unless they can establish by a preponderance of evidence that real property, which they owned on May 4, 2000, suffered a permanent loss in value and the date the diminution in property value became permanent. OCGFC will evaluate each claim of permanent diminution that is not based on physical damage individually to determine whether the Claimant has established the permanency of the diminution and the date the diminution became permanent.

Q: Your policy also says you will compensate unrealized diminution if I can establish that the diminution is permanent. How can I establish that?

A: We recognize that it will be difficult to establish permanent diminution in value in the absence of physical damage to a particular piece of property. Nevertheless, we did not want to preclude a claimant who might have a unique circumstance that would qualify for permanent diminution from receiving compensation. Each case of permanent diminution will have to be evaluated on its specific facts.

Q: If I file a claim, will you pay for an appraisal of my property?

A: A claimant may be eligible for reimbursement for the cost of a pre-fire appraisal if an appraisal had not been completed within 6 months prior to May 3, 2000, and the cost of a post-fire appraisal. Claimant must first request and receive authorization for the appraisals. OCGFC will then determine whether a claimant qualifies for compensation under this policy and if so, OCGFC will authorize reimbursement for appraisal fees, not to exceed the payment limitations set in the policy, \$500 for a single appraisal and no more than \$1,000 per claim.

Any fees above the maximum allowed under the policy or which were not previously authorized by OCGFC will be borne solely by the claimant and reimbursed only as part of the 5% claims preparation fee, if awarded.

Q: Why are you using New Mexico law to calculate compensation?

A: Section 104(c)(2) of the Cerro Grande Fire Assistance Act says, "Except as otherwise provided in this title, the laws of the State of New Mexico shall apply to the calculation of damages under subsection (d)(4)."